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IN THE

Supreme Court of the United States

OCTOBER TERM, 1948

No. 114

BEST & CO., INC.,

Petitioner,

—against—

SADIE S. MILLER, doing business under the name and style of Miller's Lilliputian Shoppe,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT AND BRIEF IN SUPPORT THEREOF.

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THE COURT PRESS, N. Y. C.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1947.

No. .

BEST & CO., INC.,

Petitioner,

—against—

SADIE S. MILLER, doing business under the name and style of Miller's Lilliputian Shoppe,

Respondent.

Petition for a Writ of Certiorari to the United States Circuit Court of Appeals for the Second Circuit.

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your petitioner, Best & Co., Inc., respectfully shows:

SUMMARY STATEMENT OF THE MATTER INVOLVED.

Petitioner prays for a writ of certiorari to review the decision of the Circuit Court of Appeals for the Second Circuit, which, by a divided Court, affirmed a judgment of the District Court, dismissing petitioner's complaint in an action to enjoin respondent from infringing petitioner's registered trade-mark

"Liliputian Bazaar" by its use of the name "Miller's Lilliputian Shoppe" and from thus engaging in unfair competition in a similar business.

The Courts below found that since 1879 plaintiff has used the name "Liliputian Bazaar" continuously, that "up to 1910 its store front carried the name 'Liliputian Bazaar' and the goods there sold were so advertised and labeled" and that thereafter the name was used for its children's department, whose merchandise except where it was impracticable to do so "has always been labeled 'Liliputian Bazaar' ".

The Second Circuit then made this significant finding:

> "During the entire period that the business has been in existence the 'Liliputian Bazaar' has been extensively advertised, and has come to signify in the minds of the buying public Best & Co." (R., p. 445).

The Circuit Court then held that though the petitioner and its predecessor since 1879 had used its trade-mark which was registered in 1915 and renewed in 1935, though it had attained a secondary meaning through extensive advertising and long usage and though respondent, a competitor in the same market, "makes use of the dominant word in plaintiff's mark and substitutes a synonym for 'Bazaar' ", petitioner was not entitled to injunctive relief.

Laying stress on the absence of proof of actual confusion, the majority held that the addition of respondent's surname "Miller's" was sufficient to distinguish the two names.

The Circuit Court agreed with the trial court that it was "unnecessary to decide whether the trade-mark is a proper subject of registration" and then held that the "secondary meaning" rule respecting products differs from that applying to sources.

The majority held that the rule laid down in *Menendez* v. *Holt*, 128 U. S. 514—that the addition of a surname to an infringing mark "is an aggravation and not a justification" does not apply here—again because "Liliputian Bazaar" does not identify a product but rather a business or source (R. 443-450).

Judge Clark in his dissent held that "Liliputian Bazaar" was a validly registered trade-mark under the 1905 Act, that the new Lanham Trade-Mark Act which broadens the area of registration and the protection of registered marks should be applied and that, therefore, this case should be treated as a trade-mark case "pure and simple".* With that in view,

---

* Judge Clark cites *Gannert* v. *Ruppert*, 127 F. 962 (CCA 2nd, 1904), wherein the Court granted an injunction to restrain the use of the name "Home Comfort" for a magazine at the instance of the owner of a magazine "Comfort". Circuit Judge Coxe there said:

> "This is a trade-mark case pure and simple. It is not a case of unfair competition. It is founded on a technical, common-law trade-mark. With this distinction in mind it is obvious that many of the propositions argued by the defendant are irrelevant.
>
> * * * *
>
> The defendant is publishing a monthly paper circulating, in part at least, in the same territory as the complainant's paper and covering a somewhat similar field. He calls his paper 'Home Comfort.' This is enough to justify the relief prayed for. It is of no moment that the proof fails to show deception, confusion or injury to any marked extent. Such proof is unnecessary where infringement of a valid trade-mark is clearly established" (pp. 963-964).

Judge Clark pointed out that "plaintiff need show only the defendant's confusing use, without proof of damage or other unfairness than the use * * *" (R. 452).

With respect to respondent's use of "Lilliputian Shoppe", he stated that "one could hardly imagine an expression better formulated to express the same thing slightly differently, but with like force" and that the addition of "Miller's" does constitute "an aggravation and not a justification" under *Menendez* v. *Holt, supra.*

Judge Clark emphasized the fact that the competition here is "in exactly the same business" (children's wear) and concluded that respondent should be required to choose his own slogan to exploit "without riding upon the successful advertising of another".

Finally, Judge Clark points to the fact that the opinion of the majority raises the spectre of

> "* * * direct competition right in New York City from 'Macy's Liliputian Shop, Saks' Liliputian Shoppe, Lord & Taylor's Liliputian Department, Franklin Simon's Liliputian Store'" (R., p. 454).

Opinions Below.

The Circuit Court of Appeals wrote two opinions (R. 443-455) which are reported in 167 F. 2d 374. The opinion of District Judge Alfred C. Coxe (R. 429-434) is reported in 67 F. Supp. 809.

Facts.

The facts are not in dispute. The Circuit Court of Appeals summarized the Trial Court's findings as follows:

> "Since 1879 the plaintiff and its predecessors have been continuously engaged in the City of New York in selling at retail apparel for infants and children not over six years of age. Up to 1910 its store front carried the name 'Liliputian Bazaar' and the goods there sold were so advertised and labeled. In that year the store was moved to Fifth Avenue and 35th Street, and the business was expanded to include apparel and accessories for older children and adult men and women. Thereafter the sale of goods for infants and children under seven was conducted as a department of the plaintiff's business. Except where it was impracticable to do so, the merchandise sold in this department has always been labeled 'Liliputian Bazaar'. During the entire period that the business has been in existence the 'Liliputian Bazaar' has been extensively advertised, and has come to signify in the minds of the buying public Best & Co. In February 1930 the plaintiff opened a branch store in Mamaroneck, New York, which is 13 miles from Stamford, Connecticut. In that year the plaintiff had 1495 charge customers in the Stamford area. In August 1942 it opened a branch store in Stamford on the same street as the defendant's store and almost directly opposite it.
>
> The defendant's store was opened on December 31, 1930, by her husband Jacob Miller, to whose interest she succeeded upon his death in 1940. The store has always borne the name 'Miller's Lilliputian Shoppe' and occupied the same premises. From the start the business has been re-

> stricted to the retail sale of wearing apparel for infants and children wearing garments no larger than size 16, and the merchandise sold has carried labels bearing the name of the store and its location, 'Stamford, Conn.'
>
> * * * *
>
> The existence of 'Miller's Lilliputian Shoppe' at Stamford came to the attention of the plaintiff in 1933 and a demand was made upon Jacob Miller that he discontinue the use of the words 'Lilliputian Shoppe'. This demand was renewed in 1934 and again in October 1944. Negotiations followed, and upon their collapse the present suit was commenced on November 8, 1944" (R. 444-446).

We need only add that, as stated in the dissenting opinion, "plaintiff's customers frequently addressed its 'Liliputian Bazaar' as 'Liliputian Shop', 'Liliputian Bar', 'Liliputian Center' and 'Liliputian Department' * * * (and) that persons seeing garments with defendant's label immediately assumed that they were garments from Best & Co. * * *". This evidence Judge Clark deemed "pertinent and convincing" on the subject of confusion (R. 454).

Application has not been made for reargument, reconsideration or rehearing in respect to said decision of the Circuit Court of Appeals.

Jurisdictional Statement.

Jurisdiction to review this case upon writ of certiorari is expressly conferred upon this Court by Judicial Code, Section 240, as amended (Act of March 3, 1891, c. 517, Sec. 6, 26 Stat. 828; Act of March 3, 1911, c. 231, Sec. 240, 36 Stat. 1157; Act of February

13, 1925, c. 229, Sec. 1, 43 Stat. 938; U. S. C. Title 28, Sec. 347).

Question Presented.

Was there infringement of the trade-mark "Liliputian Bazaar" which had been extensively advertised and used by plaintiff and its predecessors since 1879 (registered since 1915) in the sale of infants' wear, or was there unfair competition with plaintiff when defendant entered the same business fifty-one years later in competition with the plaintiff under the name "Miller's Lilliputian Shoppe" which contains the dominant part of plaintiff's mark and a synonym for the rest of it?

Reasons Relied on for Granting the Writ.

This Court is requested to grant the writ for the following reasons:

1. The majority opinion in this case is in direct conflict with the decision of the same court—with a different bench—in *Triangle Publications, Inc.* v. *Miss Seventeen Foundations Co., et al.,* decided April 14th, 1948, and with the Eighth Circuit's decision in *Hanson* v. *Triangle,* 163 F. 2nd 74.

In the former case, Judge Frank, writing the dissent, stated:

> "I think that anyone reading the decision in the *Best* case and the decision here will be in considerable confusion about the doctrine of confusion in this circuit. On that ground, also, it seems to me the Supreme Court should review this decision" (p. 1254) (—— F. 2d ——).

Without an authoritative determination by this Court, the success of a plaintiff, seeking to protect his mark in the Second Circuit, will continue to depend more on the accident of the Court's composition than on any certainty of settled rule in the Circuit.

2. To the extent that the majority below failed to consider petitioner's property right in its tradename and permitted respondent to gain benefit from its extensive advertising, their decision is in direct conflict with the Ninth Circuit's recent decision in *Stork Restaurant, Inc.* v. *Sahati,* 166 F. 2d 348 (February 18th, 1948) and with other Circuit Court decisions cited therein.

3. In so far as the Second Circuit held that the addition of respondent's surname sufficiently distinguished its trade name and did not constitute an aggravation rather than a justification, its decision conflicts with this Court's decision in *Menendez* v. *Holt,* 128 U. S. 514, the Sixth Circuit's decision in *Nashville Syrup Co.* v. *Coca-Cola,* 215 F. 527, and that of the Court of Claims and Patent Appeals in *California Prune & Apricot G. Ass'n.* v. *Dobry Flour Mills,* 101 F. 2d 838.

4. In so far as the decision herein permits respondent to use the dominant part of plaintiff's trademark—to say nothing of a synonym for the balance thereof—it is in conflict with decisions in the Third, Eighth, Tenth Circuits, Court of Appeals for the District of Columbia and the Court of Customs and Patent Appeals.

5. The decision herein should be reviewed because of the important and unsettled questions of law involved.

Prayer for Writ.

Wherefore, your petitioner respectfully prays that a writ of certiorari be issued out of and under the seal of this Court to the United States Circuit Court of Appeals for the Second Circuit commanding said last named Court to certify and send to this Honorable Court a full and complete transcript of the record of all proceedings in the within cause and to stand to and abide by such order and direction as to your Honors shall seem meet and the circumstances of the case require and that your petitioner may have such other and further relief or remedy in the premises as to this Court may seem proper.

Dated: New York, N. Y., June 18, 1948.

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IN THE

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BEST & CO., INC.,

Petitioner,

—against—

SADIE S. MILLER, doing business under the name and style of Miller's Lilliputian Shoppe,

Respondent.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

Opinions of Courts Below.

The opinion of the District Court (R. 429-434) is reported in 67 F. Supp. 809. The majority opinion by Judge Swan of the Circuit Court of Appeals for the Second Circuit (R. 443-450) and the minority opinion by Judge Clark (R. 451-455) are reported in 167 F. 2d 374.

Jurisdiction.

Jurisdiction to review this case upon writ of certiorari is expressly conferred upon this Court by Judicial Code, Section 240, as amended (Act of

March 3rd, 1891, c. 517, Sec. 6, 26 Stat. 828; Act of March 3rd, 1911, c. 231, Sec. 240, 36 Stat. 1157; Act of February 13th, 1925, c. 229, Sec. 1, 43 Stat. 938; U. S. C., Title 28, Sec. 347).

Statement of Case.

A sufficient statement of the case will be found in the accompanying petition and in the interest of brevity will not be repeated.

Specifications of Errors.

The Second Circuit Court of Appeals erred as follows:

1. In sanctioning respondent's adoption and use in its trade name—in a similar business—of "Lilliputian" the dominant word in petitioner's 51 year-old trade-mark and "Shoppe", a synonym for "Bazaar", the non-dominant word in petitioner's said mark.

2. In holding that the use of respondent's surname in conjunction with "Lilliputian Shoppe" sufficiently distinguishes the two names and does not constitute an aggravation of the wrong instead of a justification.

3. In holding, in effect, that actual confusion must be shown in a case of this kind.

4. In failing to hold that "Liliputian Bazaar" is a valid trade-mark and in failing to treat this case as a "trade-mark case pure and simple".

5. In holding that a different rule applies with respect to marks identifying products and those identifying sources or businesses.

6. In failing to protect petitioner's property right in its slogan and in sanctioning respondent's getting "a free ride" upon petitioner's expensive, extensive and successful advertising of its trade-mark "Liliputian Bazaar".

7. In refusing to apply the broadening protection afforded by the recently enacted Lanham Act.

POINT I.

The Second Circuit's decision in this case is in direct conflict with the decision of the same Court—with a different bench—in *Triangle Publications* v. *Miss Seventeen Foundations* and of the Eighth Circuit in *Hanson* v. *Triangle*, 163 F. 2d 74, cert. denied 332 U. S. 855.

In *Triangle Publications* v. *Miss Seventeen Foundations*, —— F. 2d ——, decided twelve days after this one, the plaintiff published a girls' magazine, entitled "Seventeen", for which it was later granted a trade-mark. Six months after the first publication of said magazine, the defendant adopted the name "Miss Seventeen Foundations Co." for a partnership name to make and sell girdles called "Miss Seventeen".

As stated in the majority opinion, the Trial Court found that "the use of 'Seventeen' to describe any article of teen-age apparel, including girdles, was likely to create the belief in the mind of teen-age girls that the article was advertised in or commented upon editorially by the magazine, and that the use of 'Seventeen' as a trade-mark or trade name by a manufacturer of teen-age apparel was likely to cause damage

to plaintiff's good-will in the name of its teen-age fashion magazine" (pp. 1232-1233).

After referring to the decision of the Trial Court and that of the 8th Circuit in *Hanson* v. *Triangle,* 163 F. 2d 74, cert. den. 332 U. S. 855, wherein Triangle was granted an injunction enjoining the manufacture of dresses labelled "Seventeen for the Junior Teens", the Second Circuit Court, per Judge A. N. Hand, stated:

> "We are in accord with the views of the district judge and the Eighth Circuit that plaintiff's use of 'Seventeen' was arbitrary and fanciful rather than descriptive of the magazine or its subject matter. In other words, it was employed as symbolical of teen-age girls and their interests rather than in any primary or literal sense. In the record before us there was substantial evidence to support the findings of the district court that the word 'Seventeen' as used by the plaintiff had almost immediately acquired a secondary meaning and that the defendants' use of that word was likely to cause a confusion as to sponsorship by plaintiff that might be harmful to the latter's reputation" (p. 1235).

In dealing with the effect of the defendants' choice of "Seventeen" after its exploitation by the magazine "Seventeen", the majority said:

> "Such a prospective gain to the defendants, which apparently caused them to make use of the word 'Seventeen,' would necessarily be at the risk of the plaintiff's reputation and the realization of it through the erroneously supposed sponsorship of the plaintiff would injure the latter's reputation if goods sold by the defendants were inferior to

> the high quality which the public attributed to the goods actually advertised in or commented upon by the magazine. We agree with the holding of the Eighth Circuit that the defendants cannot lawfully impose any such risk upon the plaintiff by appropriating its name 'Seventeen' because that name had come to indicate in the teen-age fashion field a sponsorship by or some relation to the magazine" (p. 1236).

In the action at bar, the Circuit bench consisted of Judges Swan, Frank and Clark with Judge Clark writing the dissent.

In the *Triangle Publications* case, the bench consisted of Judges Augustus N. Hand, Clark and Frank, with Judge Frank writing the dissent.

Citing the majority's decision in the case at bar, Judge Frank said:

> "And, just the other day, in withholding relief, we said that a plaintiff must make out an unusually strong case when his trade-name relates to a business and not to any particular product. *Best & Co., Inc.* v. *Miller,* —— F. (2d) —— (C. C. A. 2, April 2, 1948). I think that anyone reading the decision in the *Best* case and the decision here will be in considerable confusion about the doctrine of confusion in this circuit. On that ground, also, it seems to me the Supreme Court should review this decision" (p. 1254).

In dissenting from the denial of a rehearing, Judge Frank said:

> "In *Best & Company, Inc.* v. *Miller,* —— F. (2d) —— (C. C. A. 2), decided twelve days before the decision in the instant case, this court under-

> scored the fact that 'the record was bare of a single instance of a purchaser buying the defendant's merchandise in the belief that it was the plaintiff's.' Having in mind that here, too, the record is bare of a single instance of a misled buyer, I agree with this statement made by defendants in their petition: 'If Best & Company, after using Liliputian Bazaar for more than six decades could *not* enjoin a competitor using substantially the same name in the *same* business, it is difficult to understand how plaintiff here, after using Seventeen for less than six months *can* enjoin a *non*-competitor using substantially the same name in a wholly *unrelated* business.' "

The Eighth Circuit in the *Hanson* v. *Triangle Publications* case found unfair competition despite the absence of competition between the defendant dress manufacturer and the plaintiff magazine publisher, stating that

> "The use of another's mark or name, even in a non-competitive field, where the object of the user is to trade on the other's reputation and good will, *or where that necessarily will be the result,* may constitute unfair competition" (p. 78 of 163 F. 2d). (Emphasis supplied.)

It is clear from the foregoing that the Eighth Circuit and the bench in the Second Circuit that granted protection to "Seventeen", *a fortiori,* would have held for petitioner here and unless an authoritative decision is rendered by this Court, the results in these cases will continue to depend upon the Circuits in which they are heard and upon the fortuitous circumstance of day-to-day changes in the Second Circuit bench.

POINT II.

The decision below is in conflict with the Ninth Circuit's recent decision in *Stork Restaurant, Inc.* v. *Sahati,* 166 F. 2d 348, and with other Circuit decisions cited with approval in that case.

The majority of the Court in this case distinguished between trade names and trade-marks and, in effect, held that where the marks do not denote products, and there is no proof of deception or actual confusion, the fact that one merchant has appropriated the trade name of another is not sufficient to warrant granting relief to the prior user.

The Ninth Circuit held exactly to the contrary in *Stork Restaurant* v. *Sahati,* 166 F. 2d 348, decided February 18th, 1948. There, the Court was dealing with the appropriation of the trade name "The Stork Club", a much publicized night club in New York, by Sahati, the operator of a small bar and tavern in San Francisco. Obviously, the bar could take no customers away from the New York night club.

The Ninth Circuit held that, despite the absence of competition, the plaintiff was entitled to protection because

(1) trade names and trade-marks stand on a similar footing;

(2) "a trade name gives rise to a property right";

(3) "direct or 'market' competition is not an essential ingredient of unfair competition";

(4) the plaintiff was entitled to protection against "'confusion of source', with its corollary, 'dilution of good will'";

(5) plaintiff was entitled to protection against the defendant's "reaping where one has not sown";

(6) a showing of actual loss or fraudulent intent was not necessary to afford protection to plaintiff's trade name.

(1)

The Ninth Circuit quoted with approval the following from *Eastern Columbia, Inc.* v. *Waldman,* 30 Cal. 2d —— 181 P. 2d 865, 867:

> "'* * * *The protection afforded trade names which have acquired the status here reached is treated in the same category as trademarks, where it is not necessary that the competitor use the words to describe his product.* [Many cases cited]' (Emphasis supplied.)" (p. 352 of 166 F. 2d).

(2)

The Ninth Circuit pointed out that in California, as elsewhere, "ownership of a trade name is a property right" and then states:

> "The California rule accords with general law. In *Siegel Co.* v. *Federal Trade Commission,* 327 U. S. 608, 612, 66 S. Ct. 758, 760, 90 L. Ed. 888, Mr. Justice Douglas referred to trade names as 'valuable business assets' and adverted to 'the policy of the law to protect them as assets of a business', citing *Federal Trade Commission* v. *Royal Milling Co.,* 288 U. S. 212, 217, 53 S. Ct. 335, 77 L. Ed. 706.
>
> * * * *
>
> In *American Steel Foundries* v. *Robertson,* 269 U. S. 372, 46 S. Ct. 160, 162, 70 L. Ed. 317, the court said: 'The general doctrine is that equity not only will enjoin the appropriation and use

of a trade-mark or trade-name, where it is completely identical with the name of the corporation, but will enjoin such appropriation and use where the resemblance is so close as to be likely to produce confusion as to such identity, to the injury of the corporation to which the name belongs.' [Cases cited.]" (p. 353 of 166 F. 2d).

(3)

On the subject of absence of direct or market competition, the Ninth Circuit cites Second and Eighth Circuit cases:

"The modern general law on this subject was trenchantly epitomized by Judge Learned Hand in the leading case of *Yale Electric Corporation* v. *Robertson,* 2 Cir., 26 F. 2d 972, 973, 974:

'The law of unfair trade comes down very nearly to this—as judges have repeated again and again—that one merchant shall not divert customers from another by representing what he sells as emanating from the second.

* * * *

'However, it has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner's reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask. And so it has come to be recognized that,

unless the borrower's use is so foreign to the owner's as to insure against any identification of the two, it is unlawful. [Cases cited.]'

A very recent statement of the doctrine is to be found in *Hanson* v. *Triangle Publications,* 8 Cir., 1947, 163 F. 2d 74, 78, certiorari denied 68 S. Ct. 387: '* * * the use of another's mark or name, even in a non-competitive field, where the object of the user is to trade on the other's reputation and good will, *or where that necessarily will be the result,* may constitute unfair competition. [Cases cited.]' (Emphasis supplied.)" (pp. 354-355 of 166 F. 2d).

(4)

As to confusion of source, the Ninth Circuit said:

"In a situation where there is no direct competition between the parties, confusion of source may be defined as a misleading of the public by the imitation of 'An attractive, reputable trademark or trade-name * * * not for the purpose of diverting trade from the person having the trademark or trade name to the imitator, but rather for the purpose of securing for the imitator's goods some of the good-will, advertising and sales stimulation of the trade-mark or trade name'. Restatement, Id., at page 597.

'One's interest in a trade-mark or trade name came to be protected, therefore, not only on competing goods, but on goods so related in the market to those on which the trade-mark or trade name is used that the good or ill repute of the one type of goods is likely to be visited upon the other. Thus one's interest in a trade-mark or trade name is protected against being subjected to the hazards of another's business.' Restate-

ment, Id., at pages 597-598" (p. 356 of 166 F. 2d).

(5)

With respect to "reaping where one has not sown", the Ninth Circuit cites, with approval, Fifth and Eighth Circuit cases, saying:

"By whatever name it is called, equity frowns upon such business methods, and in proper cases will grant an injunction to the rightful user of the trade name.

In *Aetna Casualty & Surety Co.* v. *Aetna Auto Finance, Inc.*, 5 Cir., 123 F. 2d 582, 584, certiorari denied, 315 U. S. 824, 62 S. Ct. 917, 86 L. Ed. 1220, the court used the following language:

'This purpose is to project itself into that business arena panoplied in a name already favorable known, rather than to come into it on its own merits, and slowly building, here a little, there a little, establish its own place. * * * [Many cases cited].'

'These cases all hold that where as here it plainly appears that there is a purpose to reap where one has not sown, to gather where one has not planted, to build upon the work and reputation of another, the use of the advertising or trade name or distinguishing mark of another, is in its nature, fraudulent and will be enjoined.'

In *Cleo Syrup Corporation* v. *Coca-Cola Co.*, 8 Cir., 139 F. 2d 416, 417, 150 A. L. R. 1056, certiorari denied, 321 U. S. 781, 782, 64 S. Ct. 638, 88 L. Ed. 1074, the court declared that 'There is no merit in the contention that a court of equity will not afford protection to the plaintiff's trademark or prevent its good will from being nibbled away by unfair competitors' " (p. 357 of 166 F. 2d).

(6)

On the necessity for showing loss of business or injury the Ninth Circuit said:

> "The appellees stress the fact that the appellant has failed to show 'that appellees' operation in any way has injured appellant,' etc.
>
> Neither under the California jurisprudence nor under the general law is such showing necessary.
>
> * * * *
>
> * * * in the recent case of *Winfield* v. *Charles, supra,* 77 Cal. App. 2d at page 70, 175 P. 2d at page 73, we find the following succinct statement: 'It is unnecessary, in such an action, to show that any person has been confused or deceived. It is the likelihood of deception which the remedy may be invoked to prevent.'
>
> This is undoubtedly the Federal rule. In *Adolph Kastor & Bros.* v. *Federal Trade Commission,* 2 Cir., 138 F. 2d 824, 826, the court thus summarized the doctrine: 'No one need expose his reputation to the trade practices of another, even though he can show no pecuniary loss'[14]" (p. 359 of 166 F. 2d).

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[14] "See also *Standard Oil Co. of New Mexico* v. *Standard Oil Co. of California, supra,* 10 Cir., 56 F. 2d 973, at page 976; *Acme Chemical Co.* v. *Dobkins, supra,* D. C., 68 F. Supp. 601, at page 614. Cf. *Kroll Bros. Co.* v. *Rolls-Royce,* 126 F. 2d 495, 498, 29 C. C. P. A. (Patents) 897; *Cleo Syrup Corporation* v. *Coca-Cola Co., supra,* 8 Cir., 139 F. 2d 416, at page 418."

From the foregoing it is clear that if the conclusions of the Ninth Circuit represent the law on the various legal principles upon which it based its decision, then the decision of the majority in the case at bar does not. The two decisions cannot be reconciled.

POINT III.

In holding that the addition of respondent's surname, "Miller's" sufficiently distinguished its trade name and did not constitute an aggravation of the wrong, the majority opinion below conflicts with decisions of this Court, the Sixth Circuit and the Court of Customs and Patent Appeals.

The Circuit Court in this case held that the use of the surname, "Miller's", in connection with "Lilliputian Shoppe" sufficiently distinguished the latter from "Liliputian Bazaar" and that the rule that such use of an individual's name constitutes "an aggravation and not a justification" (*Menendez* v. *Holt,* 128 U. S. 514) did not apply because "Liliputian Bazaar" identifies a business rather than a product.

The opening statement in Chief Justice Fuller's opinion in the *Menendez* case indicates that it cannot be distinguished on the facts:

> "The fact that Holt & Co. were not the actual manufacturers of the flour, upon which they had for years placed the brand in question, does not deprive them of the right to be protected in the use of that brand as a trademark."

Exactly the same situation was found by the courts below to exist here:

> "Thereafter (after the petitioner ceased to use 'Liliputian Bazaar' as the name of its entire store in 1910) the sale of goods for infants and children under seven was conducted as a department of the plaintiff's business. Except where

> it was impracticable to do so, *the merchandise sold in this department has always been labeled* 'Liliputian Bazaar'" (R. 445). (Emphasis supplied.)

It is obvious that people who buy children's wear manufactured for Best's, bearing the label "Liliputian Bazaar" are just as much affected thereby as were the purchasers of Holt & Co.'s branded flour which that company purchased from others.

In the *Menendez* case, this Court said:

> "* * * it is no answer to their action to say that there was no invasion of that right because the name of S. O. Ryder accompanied the brand upon flour sold by appellants, instead of the name of Holt & Co. That is an aggravation and not a justification, for it is openly trading in the name of another upon the reputation acquired by the device of the true proprietor. *Gillott* v. *Esterbrook,* 47 Barb. 455; *S. C.* 48 N. Y. 374; *Coats* v. *Holbrook,* 2 Sandf. Ch. 586."

The Sixth Circuit, in applying the rule in *Nashville Syrup Co.* v. *Coca-Cola Company,* 215 F. 527 (CCA 6th, 1914) said:

> "To permit defendant to use them (the words Coca-Cola) in connection with his own name is not to avoid or mitigate the wrong, but is rather an aggravation, because of the false implication that plaintiff has parted with the exclusive right" (p. 530).

By the same token, if respondent is permitted the use of the name "Lilliputian", is it not likely that the buying public may get one of two impressions: either that Best & Co. "has parted with the exclusive right"

or that respondent's business is a branch of or in some manner connected with petitioner's?

See also decisions of the Court of Customs and Patent Appeals in *Hellmann, Inc.* v. *Oakford & Fahnestock,* 54 F. 2d 423, and *California Prune & Apricot Growers Ass'n* v. *Dobry Flour Mills, Inc.,* 101 F. 2d 838.

In the latter case, the Court, after referring to its decision in the former, said:

> "There, as here, the only important distinguishing difference between the two marks was the name of an individual. In that case the dominant part of appellant's mark was 'Blue Ribbon,' which was the dominant part of the mark of appellee. In the case at bar the dominant part of appellee's mark is the notation 'Sunsweet,' which is the dominant part of appellant's mark. In addition, both marks here involved have a representation of the sun. We have no hesitation in holding that the marks of the parties are confusingly similar, and that appellant has been damaged by the registration of appellee's mark. To hold otherwise would make it possible for one to appropriate a trade-mark which, through extensive advertising, had become a household word, by adding thereto the name of an individual. Many others might do likewise and the value of the trade-mark to the first adopter and user might be largely destroyed" (p. 840).

The reasoning of these cases is just as apposite to trade names of businesses as to trade-marks on goods.

POINT IV.

In permitting respondent to use in a competing business, "Liliputian", the dominant word in petitioner's trade-mark—to say nothing of "Shoppe", a synonym for "Bazaar", the non-dominant part thereof—the decision below is in conflict with the decisions of numerous other Circuits, the Court of Appeals for the District of Columbia and the Court of Customs and Patent Appeals.

Photoplay Pub. Co. v. *LaVerne Pub. Co.*, 269 F. 730 (CCA 3rd)
("Photo-Play Journal" and "Photoplay Magazine");

Akron-Overland Tire Co. v. *Willys-Overland Co.*, 273 F. 674 (CCA 3rd);

General Finance Loan Co. v. *General Loan Co.* (CCA 8th), 163 F. 2d 709, cert. den. 332 U. S. 851
("General Finance" and "General Loan");

Queen Mfg. Co. v. *Isaac Ginsberg & Bros.*, 25 F. 2d 284 (CCA 8th)
("Queen Brand" and "Queen Make");

Hanson v. *Triangle Publications*, 163 F. 2d 74 (CCA 8th), cert. den. 332 U. S. 855
("Seventeen for the Junior Teens" dresses and "Seventeen" magazine);

Western Auto Supply Co. v. *Knox*, 93 F. 2d 850 (CCA 10th)
("Western Auto Salvage Co." and "Western Auto Parts Co." as infringing upon "Western Auto Supply Co.");

Panitz v. *University Clothes,* 40 F. 2d 811 (D. C. Court of Appeals)
("University Shop" and "University Clothes");
Fashion Park v. *The Fair,* 49 F. 2d 830 (CCPA)
("Fashion Row" and "Fashion Park");
Hygienic Products Co. v. *Huntington Laboratories,* 139 F. 2d 508 (CCPA)
("Toilet-San" and "Sani-Flush").

Lest it be said that the foregoing cases may be distinguished because in this case, we are dealing with names of businesses rather than products, it should be noted that the same was true in *Western Auto Supply Co.* v. *Knox, supra,* wherein the 10th Circuit Court granted an injunction against defendant's use of the name of its business "Western Auto Salvage Co." and "Western Auto Parts Co." as constituting unfair competition with "Western Auto Supply Co."

The same is true with respect to *Akron-Overland Tire Co.* v. *Willys-Overland Co., supra,* wherein, again, the 3rd Circuit was dealing with the names of two companies, one of which manufactured automobiles and the other tires.

POINT V.

The decision herein should be reviewed because of the important and unsettled questions of law involved.

From what has been said, it is clear that there are wide differences among Circuit Courts and Judges on fundamental questions of law to be applied in cases of this kind:

Are trade names used to label articles to show source entitled to the same protection as trade-marks denoting products?

Must actual confusion be shown where one appropriates another's trade name and engages in competition with him?

Does the addition of the individual's name to an otherwise infringing trade name absolve the appropriator and is the rule laid down in *Menendez* v. *Holt* to be restricted to trade-marks of products?

Is the appropriator of another's trade-mark permitted a "free ride", unless its owner can prove actual loss, as indicated by one of the concurring Judges in this case in his dissent in the *Triangle Publications* case, where he speaks of "the 'now discredited theory' of the 'free ride' "?

Is the character of proof required in trade-mark cases the same as in unfair competition cases?

Should the new Lanham Act be applied prospectively to pending cases, as suggested by Judge Clark's

dissent in this case and by the prevailing opinion in *LaTouraine Coffee Co., Inc.* v. *Lorraine Coffee Co. Inc.* (CCA 2d), 157 F. 2d 115, cert. den. 329 U. S. 771?

These questions and others, as has been shown, have been answered differently by various intermediate courts. In the Second Circuit, the answer depends upon the composition of the court in the particular case.

The decision below presents questions of great importance to those who expend substantial sums in advertising their trade names or trade-marks to accomplish the purpose and in the expectation of the protection, set forth by Mr. Justice Frankfurter in *Mishawaka R. & W. Mfg. Co.* v. *S. S. Kresge Co.*, 316 U. S. 203:

> "The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress" (p. 205).

Petitioner, from 1879 through 1944, spent $2,920,280 in newspaper, magazine and radio advertising of the business carried on under "Liliputian Bazaar" (R., p. 37).

By such advertising, petitioner has sought to use "Liliputian Bazaar" as "a merchandising short-cut" and "to impregnate the atmosphere of the market with the drawing power of a (such) congenial symbol".

The Tenth Circuit in *Standard Oil Co. of New Mexico* v. *Standard Oil Co. of Cal.*, 56 F. 2d 973, 977, in holding that a trade name is a "property right, entitled to protection", says:

> "A business institution by handling only goods of high quality, by fair dealing, by judicious and honest advertising, by skillful management, and by prompt payment of its financial obligations over a period of years will establish a business reputation or goodwill which, though intangible, is of great value and is entitled to protection the same as any other property right."

The question presented is whether petitioner's property right in "Liliputian Bazaar" is to receive such protection or is the name to be made worthless by permitting petitioner's competitors to use the same slogan in advertising similar wares.

Under the decision herein, as pointed out by Judge Clark in his dissent, any of petitioner's competitors may adopt "Liliputian", provided they place their individual names before it so that petitioner may well face the possibility of competition in New York City

from a "Macy's Liliputian Department" or a "Saks' Liliputian Shop".

If a number of petitioner's competitors were to adopt "Liliputian" as the label for their children's wear, it is obvious that it would lose any value as "a merchandising short-cut". Is this to receive the law's sanction? It will, unless the determination below is reviewed and an authoritative determination by this Court is handed down.

CONCLUSION.

It is, therefore, respectfully requested that a petition for certiorari in this case should be granted.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1948.

No. 114.

BEST & CO., INC.,

Petitioner,

—against—

SADIE S. MILLER, doing business under the name and style of Miller's Lilliputian Shoppe,

Respondent.

PETITIONER'S REPLY BRIEF.

I.

The only point in respondent's brief not entirely covered in our main brief is the attempt to drag a red herring across the trail by the endeavor to make this case turn on the two-court rule.

The very essence of this case is the finding of the lower courts that the phrase "Liliputian Bazaar" has come to signify in the minds of the buying public Best & Company. Under the authorities, that gives the petitioner a property right in the phrase. As was stated in the Ninth Circuit Court case, on page 19 of our brief:

> "'* * * it has of recent years been recognized that a merchant may have a sufficient economic interest

> in the use of his mark *outside the field of his own exploitation** to justify interposition by a court.'" (Emphasis supplied.)

The Second Circuit in the instant case refused to recognize this principle. That was the reason that Judge Frank in the *Triangle Publications* v. *Rohrlich*, 167 F. 2d 969, 981, said:

> "I think that anyone reading the decision in the *Best* case and the decision here will be in considerable confusion about the doctrine of confusion in this circuit. On that ground, also, it seems to me the Supreme Court should review this decision" (referring to the *Triangle* decision).

The conflict in the decisions turns on a most important point. Succinctly stated, where a merchant has for scores of years spent hundreds of thousands of dollars developing a trade mark until it comes to be wholly identified with this merchant's business, may another merchant, operating in the same market (p. 375 of 167 F. 2d) appropriate it and resist the interposition of a Court on the ground that he is a small local trader and does not really compete and cause confusion? Must a merchant who has built up this enormous good will in a trade name or trade mark permit a competitor to begin encroachments on it, which are in effect the appropriation of this merchant's property right in the trade name, and get away with it by saying in effect: "I can take away the plaintiff's watch but it really doesn't hurt him?"

---

* Here petitioner seeks protection in the same business, and in an area where it was found to be first in the field (167 F. 2d 375).

The Ninth Circuit and some of the cases in the Second Circuit say that such encroachments will not be permitted. In the instant case the Second Circuit said it would be permitted on the ground of lack of proof of confusion. It is difficult to think of a more substantial or vital legal question or conflict that could be submitted for decision to the Supreme Court.

II.

Respondent makes only one other point deserving of consideration: it is claimed that petitioner is entirely unwarranted in stating that the Circuit Court distinguished between trade names of businesses and trade marks of products (Br., p. 10).

But the majority opinion below states:

> "* * * the secondary meaning which 'Liliputian Bazaar' has acquired signifies Best & Co. so that goods bearing that label are identified as coming from its store rather than from an anonymous source or from a dealer whose name the customer may have forgotten. Cases such as *Barton* v. *Rex-Oil Co.*, 29 F. 2d 474 (C. C. A. 3), where the secondary meaning denotes a product, are therefore distinguishable." (167 F. 2d 377.)

Again, in distinguishing the "aggravation" rather than "justification" rule laid down in *Menendez* v. *Holt*, 128 U. S. 514, the majority below said:

> "But it should be observed that *there* (in *Menendez* v. *Holt, supra*), *the trade-mark identified a product* and that the court found an intent to infringe." (167 F. 2d 378.) (Emphasis supplied.)

Any doubt on this subject is removed by Judge Frank's comment on the majority's—and his own—holding in this case, when he said in the *Triangle Publications* case:

> "And, just the other day, in withholding relief, we said that a plaintiff must make out an unusually strong case when his trade-name relates to a business and not to any particular product. *Best & Co., Inc.* v. *Miller,* 2 Cir., 167 F. 2d 374." (167 F. 2d 981.)

and his further statement in his dissent from a denial of rehearing in the *Triangle Publications* case:

> "In *Best & Company, Inc.* v. *Miller,* 2 Cir., 167 F. 2d 374, decided twelve days before the decision in the instant case, this court underscored the fact that 'the record was bare of a single instance of a purchaser buying the defendant's merchandise in the belief that it was the plaintiff's.'" (167 F. 2d 983.)

Conclusion.

From the foregoing it is clear that the issue in this case is not "one of fact", as claimed by respondent. The facts are clear and not in dispute. The issue is as to the legal conclusions to be drawn from them and the legal principles to be applied. It is equally clear that there is a conflict not only between the Second Circuit and other Circuits but also an avowed conflict among the Judges of the Second Circuit.

Respectfully submitted,

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IN THE

Supreme Court of the United States

October Term—1948

No. 114

BEST & CO., INC.,

Petitioner,

—against—

SADIE S. MILLER, doing business under the name and style of Miller's Lilliputian Shoppe,

Respondent.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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IN THE

Supreme Court of the United States

October Term—1948

No. 114

BEST & CO., INC.,

Petitioner,

—against—

SADIE S. MILLER, doing business under the name and style of Miller's Lilliputian Shoppe,

Respondent.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

Opinions of the Courts Below

The opinion of the District Court, per Coxe, *D.J.* (R. 429-434), is reported in 67 F. Supp. 809. The majority opinion of the Circuit Court of Appeals for the Second Circuit, written by Judge Swan and concurred in by Judge Frank (R. 444-450) and the dissenting opinion of Judge Clark (R. 450-455) are reported in 167 F. [2d] 374.

Jurisdiction

Petitioner sued respondent for trademark infringement and unfair competition, jurisdiction of the claim of trademark infringement being conferred upon the federal courts by the Trademark Act of 1905, Sec. 16 (Act of February 20, 1905, c. 592, Sec. 16, 33 Stat. 728; 15 U. S. C., Sec. 96);

and now applies for a writ of certiorari pursuant to the provisions of Section 240 of the Judicial Code, as amended (Act of March 3, 1891, c. 517, Sec. 6, 26 Stat. 828; Act of March 3, 1911, c. 231, Sec. 240, 36 Stat. 1157; Act of February 13, 1925, c. 229, Sec. 1, 43 Stat. 938; U. S. C., Title 328, Sec. 347).

Statement of Case

Petitioner claimed below that its registered trademark "Liliputian Bazaar" has been infringed by the respondent's conduct of her business in Stamford, Connecticut, under the name "Miller's Lilliputian Shoppe", and that she has been guilty of unfair competition in connection therewith. Respondent claims the right to continue to use her tradename, based upon the prior establishment of her business in Stamford, Connecticut and its vicinity, the manner in which she and her predecessor in interest have used the name, and petitioner's laches and acquiescence.

Best & Co., the petitioner, is a large retail specialty shop which has done business in New York City for many years, and has opened branch stores in various cities beginning in 1929 (R. 430).

Respondent is the widow of Jacob Miller who founded the business in 1930, prior to the time when petitioner opened stores outside of the State of New York. She conducts a single small store in Stamford, Connecticut, confining her business to the retail sale of wearing apparel for infants and children. She has employed between three and ten employees and her gross sales have ranged from approximately $46,000 in 1940 to $134,000 in 1944. The business has always been conducted under the name of "Miller's Lilliputian Shoppe" and its advertising has been purely local in nature (R. 431).

In 1933 the existence of Miller's Lilliputian Shoppe was brought to the attention of the petitioner who, then and again in 1934, demanded that plaintiff's husband discontinue the use of the words "Lilliputian Shoppe". This demand was ignored and nothing further was done by the petitioner until 1942, when its president, in selecting a site for petitioner's branch store to be opened there, noticed the defendant's place of business and selected as petitioner's Stamford location a store diagonally across the street from that of the respondent. Petitioner's Stamford branch was opened in August 1942, and in October 1944 another demand was made upon the respondent to discontinue the use of her tradename. Upon her refusal, action was for the first time instituted (R. 432).

After consideration of detailed evidence offered by both parties with respect to the conduct of their respective businesses and the use of their respective tradenames and marks, the District Court found no instance or likelihood of confusion or deception and dismissed the complaint, both as to the cause of action predicated upon alleged infringement and that predicated upon unfair competition. The Circuit Court of Appeals affirmed.

Summary of Argument

The Trial Court properly conceived the question presented as "purely one of fact" (R. 433). District Judge Coxe said that "the test is whether the public is likely to be deceived", and the Circuit Court of Appeals, in affirming, expressly approved the form of the question as framed by the Trial Judge and the test which he applied in its solution (R. 499).

The courts below thus limited their rulings to the facts before them and treated the case as an ordinary one for trademark infringement and unfair competition.

This Court has repeatedly refused to review a determination of infringement or non-infringement, in accordance with its settled practice that certiorari will not issue to review questions of fact.

Upon examination of the decisions cited by the petitioner as the basis for the supposed conflict in the decisions, such conflict appears to be non-existent and may be seen to spring from differences in fact in the various litigations and not from any difference in fundamental principles.

Apart from relying upon an alleged conflict among various decisions cited, petitioner urges that the decision below should be reviewed by this Court "because of the important and unsettled questions of law involved". However, it clearly appears that the courts below applied to the facts of this case, as found by the Trial Court and concurred in by the Circuit Court of Appeals, well settled principles of law; and the questions which petitioner seeks to spell out (Br. p. 28) are, for the most part, hypothetical and abstract questions, which are not raised by the record in this case.

POINT I

The crucial issue in this case is one of fact and turns upon whether or not respondent's use of her tradename is likely to cause confusion or mistake.

The question of whether or not there is an infringement or unfair competition in a given case is purely one of fact, and "judicial interference will depend upon the facts proved and found in each case."

American Foundries v. *Robertson,* 269 U. S. 372, 381.

See also:

Home Scale Co. v. *Wyckoff Seamens & Benedict,* 198 U. S. 118, 137;
Glenmore Distilleries Co. v. *National Distillers,* 101 Fed. [2d] 479; cert. den. 307 U. S. 632;
McLean v. *Fleming,* 96 U. S. 245, 251.

The Trial Court here applied, from the point of view of the petitioner, the broadest possible rule, holding that, for petitioner to succeed, it was only required to prove a likelihood or possibility of confusion, rather than actual confusion. Applying this test, District Judge Coxe, although finding that "Liliputian Bazaar had acquired a secondary meaning applicable to Best & Co.", nevertheless found against the possibility of confusion (R. 433).

The Circuit Court of Appeals expressly affirmed these findings (R. 449).

This Court has time and again held that certiorari will not be granted for the purpose of reviewing factual determinations (*Southern Power Co.* v. *North Carolina Public Service Co.,* 263 U. S. 508, 509; *United States* v. *Johnston,* 268 U. S. 220, 227; *General Talking Pictures Corp.* v. *Western Electric Co.,* 304 U. S. 175, 178); and the rule is, if anything, even stronger in a case where the findings of the Trial Court have been concurred in by the Circuit Court of Appeals. As recently as June 21, 1948, this Court, in the case of *Comstock* v. *Group of International Investors* (October 1947 Term, Docket Nos. 451-454, not yet officially reported), said:

"A seasoned and wise rule of this Court makes concurrent findings of two courts below final here in the absence of very exceptional showing of error. *Stuart*

v. *Hayden*, 169 U. S. 1; *Brainard* v. *Buck*, 184 U. S. 99; *First National Bank* v. *Littlefield*, 226 U. S. 110; *Baker* v. *Schofield*, 243 U. S. 114; *Second Russian Insurance Co.* v. *Miller*, 268 U. S. 552; *Texas & No. O. R. Co.* v. *Brotherhood of Clerks*, 281 U. S. 548; *Page* v. *Arkansas Natural Gas Corp.*, 286 U. S. 269; *Pick* v. *General Motors Corp.*, 299 U. S. 3; *Virginia R. Co.* v. *System Federation*, 300 U. S. 515; *United States* v. *O'Donnell*, 303 U. S. 501; *Anderson* v. *Abbott*, 321 U. S. 349; *Allen* v. *Trust Co.*, 326 U. S. 630; *United States* v. *Dickinson*, 331 U. S. 745. No such error is claimed by petitioner."

An examination of petitioner's contentions here, as well as the dissenting opinion of Circuit Judge Clark on which they are in large measure based, indicates quite clearly that there is no disputed legal principle in question. The asserted conflict arises because neither the Trial Court nor the majority of the Circuit Court of Appeals found in the evidence any possibility or likelihood of deception or confusion, whereas the dissenting judge reviewed the evidence (R. 454) and came to a contrary conclusion upon the facts, upon which his legal conclusions in turn rested.

A mark is infringed only where it is likely to cause confusion or mistake in the minds of the public or to deceive purchasers. As already indicated, this is essentially a question of fact, which can in no way be transformed into a novel question of law. The court below found that the marks in their totality and use were not confusingly similar; and upon such finding, judgment was awarded and affirmed in favor of the respondent.

A similar result was reached in each of the following cases, in each of which this Court denied a writ of certiorari:

Sears, Roebuck & Co. v. *Elliott Varnish Co.*, 232 Fed. 588, cert. den. 242 U. S. 635 ("Never Leak" held not to infringe "Roof Leak");

A. J. Krank Mfg. Co. v. *Pabst*, 277 Fed. 15, cert. den. 259 U. S. 580 ("Twilight Lather Cream" held not to infringe "Krank's Lather Kreem");

T. P. Larson, Jr. Co. v. *Wm. Wrigley, Jr. Co.*, 253 Fed. 914, cert. den. 248 U. S. 580 ("Peptomint" held not to infringe "Spearmint");

Glenmore Distilleries Co. v. *National Distillers*, 101 Fed. (2d) 479, cert. den. 307 U. S. 632 ("Kentucky Tavern" held not infringed by "Town Tavern");

John Mornell & Co. v. *Doyle*, 97 Fed. (2d) 232, cert. den. 305 U. S. 643 ("Strongheart" held not to infringe "Red Heart");

Dixi-Cola Laboratories, Inc. v. *Coca Cola Co.*, 117 Fed. (2d) 352, cert. den. 314 U. S. 629 ("Dixi-Cola" held not to infringe "Coca-Cola").

The petitioner here has received the same protection as the authorities accord to arbitrary, fanciful registered trademarks, though the validity of its trademark was challenged by the respondent and was not passed upon by either of the courts below.

In its petition for certiorari, under the heading "Question Presented" petitioner has posed the single question, "was there infringement of the trademark 'Liliputian Bazaar' * * * or was there unfair competition with plaintiff when defendant entered the same business * * * under the name Miller's Lilliputian Shoppe * * * *" (Petition, p. 7).

Under the well-settled rules and practice of this Court, only those questions which are directly presented in a petition for certiorari (apart from those specified in a supporting brief), may be considered for review. *General Talking Pictures Corp.* v. *Western Electric Co.*, 304 U. S. 175, 177. Accordingly, the court's consideration of the petition may well stop at this point. Nevertheless, we shall direct ourselves briefly to the other questions argued by the petitioner in its brief.

POINT II

The decision in this case is not in conflict with the cases relied upon and cited by the petitioner.

The petitioner here, in a labored argument which has ignored completely the facts of the several cases and the factual distinctions among them, has urged, as a ground for review by this Court, the usual contention that the decision of the Circuit Court of Appeals in this case is in conflict with other cases cited. We submit that there is no such conflict when each case is considered upon its facts, and when it is remembered that in matters of trademark law precedents are of limited value "because there are few general rules to guide the courts in these cases and because infringement is determined largely by the facts in each case". *Nims, Unfair Competition and Trademarks* (Fourth Edition 1947), at page 670, and cases there cited.

A.

Petitioner leans most heavily upon an asserted direct conflict between the decision in this case and the decision of the same court in *Triangle Publications* v. *Miss Seven-*

teen Foundations, Fed. [2d] , decided shortly after this case. The later decision followed the decision of the Eighth Circuit in *Hanson* v. *Triangle Publications,* 163 Fed. [2d] 74; cert. den. 332 U. S. 855. The petitioner makes much of the fact that the personnel of the bench in the Circuit Court of Appeals in the two cases differed. It is significant to note, however, that two judges sitting in each case were the same,—Judge Clark, who wrote the dissent in the case at bar and Judge Frank who dissented from the later decision. We have already indicated that Judge Clark's disagreement with his colleagues in the instant case turned upon his disagreement with their affirmance of the Trial Court's finding that there was no likelihood of confusion. Likewise, in the *Miss Seventeen* case, Judge Frank himself made it clear that his disagreement with his colleagues was based upon their findings of fact as well as upon the law. At page 1240 of the record on appeal in that case, he said:

> "In affirming the decree, I think my colleagues have made some vital mistakes both as to crucial facts and legal principles."

And again, at page 1243, he stated that in that case he saw no probability of confusion, adding, however, the following:

> "Of course that conclusion would have to yield were there here a finding, supported by evidence, of actual confusion or clear evidence that it is likely."

That there was such a finding and such evidence is clear from the majority opinion, written by Circuit Judge A. N. Hand.

In the face of such findings, none of which were made by either of the courts below in the case at bar, judgment for the plaintiff followed as of course.

B.

In urging that the decision below is in conflict with the Ninth Circuit's recent decision in *Stork Restaurant, Inc.* v. *Sahati,* 166 Fed. [2d] 348, and cases therein cited, petitioner has read into the decision of the Circuit Court of Appeals in the instant case a holding which cannot be found there. Petitioner, at page 17, argues:

> "The majority of the Court in this case distinguished between trade names and trade-marks and, in effect, held that where the marks do not denote products, and there is not proof of deception or actual confusion, the fact that one merchant has appropriated the trade name of another is not sufficient to warrant granting relief to the prior user."

We have searched the opinions below in vain for any basis for petitioner's argument. Far from distinguishing between trademarks and tradenames, the Circuit Court of Appeals in this case used the terms indiscriminately (R. 446, 448-449).

C.

Likewise, petitioner's argument that the decision below conflicts with the decision of this Court in the case of *Menendez* v. *Holt,* 128 U. S. 514, and other cases referred to in Point III of the petitioner's brief, is based upon a mis-reading of the decisions below and mis-construction of the facts of the case at bar.

It must be borne in mind, in examining the record in this case (because petitioner's brief lays great stress upon the respondent's use of the single word "Lilliputian" as part of her tradename), that petitioner's mark is "Liliputian Bazaar". The evidence established that petitioner has never, at any time, used the word "Liliputian" alone in any respect; it has always been used as part of petitioner's entire mark, "Liliputian Bazaar"; and it is the phrase "Liliputian Bazaar" which the courts below found had acquired a secondary meaning pointing to Best & Co.

Petitioner cannot cite a single case to support the assertion that the development of a secondary meaning in a multiple or compound word-mark endows the owner with exclusive rights in each of its compound parts.

It is obvious from the many other businesses in which that name is used and the many other persons who have heretofore and without objection registered trademarks including the word "Liliputian" or some variation thereof (R. 384-411), that petitioner can have no monopoly in the word "Liliputian"; and the cases* are equally clear that

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* In *Ball* v. *Best*, 135 Fed. 434, action was brought to enjoin the defendant from using the name "Best & Co.", and likewise the words "Liliputian" and "Liliputian Outfitters". The court there found a deliberate fraud upon the plaintiff's business rights,—a finding which the courts below did not and could not make upon the record here,—and at page 436, said:

> "It is not important what definition is placed on 'Liliputian.' The name of Best & Co., with the use of that word, constituted complainant's good will. That use was arbitrary, and stands for complainant's goods. The complainant is clearly entitled to the relief prayed for as to the use of the name 'Best & Co.,' with and without prefixes. He is also entitled to the sole use of the word 'Liliputian' in connection with the name Best & Co., with and without prefixes, but only in the line of his business."

Similarly, in *Ball* v. *Broadway Bazaar*, 194 N. Y. 429, where the present petitioner's predecessor sought to enjoin a competitor which had advertised itself as the "Broadway Bazaar, Brooklyn's Best Lilliputian Store",

ownership of the mark "Liliputian Bazaar" does not confer ownership of the word "Liliputian" on the petitioner. "Liliputian" is, as the Trial Court held (R. 433), a descriptive word when standing alone, and hence, not the subject of exclusive appropriation; and the Court of last resort of the State of New York so held many years ago in adjudicating, in respect of another alleged infringement, the rights of petitioner's predecessor in this very name. *Ball* v. *Broadway Bazaar*, 194 N. Y. 429.

The courts below did not hold, as petitioner argues, that the respondent might with impunity appropriate petitioner's trademark or tradename, so long as she accompanied it by a distinguishing prefix. The courts only held, upon comparison of the marks and names in question, and in the light of the manner of their use by the respective

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the court specifically found that the name adopted by the defendant was calculated to deceive the public and had been adopted with that intent. Nevertheless, it modified the injunction granted by the lower court, saying, at page 436:

> "The judgment is, however, somewhat broader than it should be. It is quite within bounds in restraining the use of 'Best' and 'Lilliputian' and 'Bazaar' in connection with each other. It seems to be proper, also, in so far as it prohibits the use of 'Lilliputian Bazaar' either alone or in connection with any other words, and from so using any like words. * * * Although of purely fanciful origin, the word 'Lilliputian' has become a part of the English language and is used to denote persons, and possibly things, of diminutive or minute size. The word 'Bazaar' is also a part of our common speech. It is somewhat indiscriminately applied to shops, either singly or in groups, where goods are displayed for sale, to fairs or sales for the benefit of churches or charities, and to other places fitted up for the sale of goods. It is obvious that neither of these words alone can be the subject of a trade name in which any one can acquire an exclusive proprietary right. They are purely descriptive parts of our language and may be used by all. But their use together, or in combination with some other word, such as 'Best', for instance, marks the difference between what is permissible and what may be forbidden."

parties, that there was no likelihood of confusion or possibility of public deception.*

The cases which petitioner cites in Point III of its brief are all inapplicable, if this distinction is borne in mind. In each of those cases, the alleged infringer had used the plaintiff's entire trademark or tradename, attempting to avoid a charge of unfair competition by using some additional word or prefix in connection therewith.

Petitioner has not cited a single case, however, in which the use of but a single word included in a plaintiff's trademark or tradename as part of a defendant's mark or name has been held, *per se*, to constitute an infringement or unfair competition. There are, we submit, no such cases.

D.

Finally, in seeking to find a conflict between prior decisions and the instant case on which to ground its application for review by this Court, petitioner has cited, in Point IV of its brief, a number of cases which it claims should preclude respondent from using "in a competing business,

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* Substantially the same principles of law were involved in the case of *Dixi-Cola Laboratories, Inc.* v. *Coca-Cola Co.*, 117 Fed. [2d] 352, 355, wherein the Circuit Court of Appeals for the Fourth Circuit said:

> "There are many cases which hold that it is not infringement for a trader to use as part of his trade-name to designate his product a descriptive or generic word which has already been adopted by another, provided that the competing marks, taken as a whole, are clearly distinguishable."

The plaintiff in that case petitioned this Court for a writ of certiorari advancing almost the identical arguments made by the petitioner here. The answers to those arguments are, we submit the same. Certiorari was there denied in 314 U. S. 629.

'Liliputian', the dominant word in petitioner's trademark * * *". There are two obvious answers to this argument.

In the first place, as we have already indicated, each word in petitioner's mark ("Liliputian Bazaar") as used by petitioner and its predecessors throughout the years, has been given equal prominence; and, in determining either the question of infringement or of unfair competition, the mark as a whole must be considered.

As the court said in *Glenmore Distilleries* v. *National Distillers Products Corporation,* 101 Fed. (2d) 479, 480; cert. den. 307 U. S. 632:

> "It is impossible to lay down a general rule that either word in an established trademark of two words is of such importance that its use in other combinations on the same kind of goods would constitute infringement. Every case must of course be decided upon by its own facts. 'What degree of resemblance is necessary to constitute an infringement is incapable of exact definition, as applicable to all cases. All that courts of justice can do, in that regard, is to say that no trader can adopt a trademark, so resembling that of another trader, as that ordinary purchasers, buying without ordinary caution, are likely to be misled.' McLean v. Fleming, 96 U. S. 245, 251."

The second answer to petitioner's contention is that in none of the cases cited was the common word in question descriptive to any extent whatsoever, either of the goods to which the mark was affixed or the business in which the name in question was used, whereas petitioner's alleged trademark involved in the instant case, is descriptive of

the business in which both parties are engaged. The Trial Court so held* and the Circuit Court of Appeals affirmed.**

POINT III

No novel question or question of general importance or public interest is presented by the record in this case.

Point V of the petitioner's brief is a "catch-all", wherein the petitioner poses for determination by this Court six

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* District Judge Coxe (R. 430-431) said:

"During the entire period that the business had been in existence the 'Liliputian Bazaar' has been extensively advertised, and has come to signify in the minds of the buying public Best & Company. In addition, the plaintiff and its predecessors have been sedulous in their efforts to prevent the use by others of the word 'Liliputian,' and the evidence shows that these efforts have been largely successful. However, in *Ball* v. *Broadway Bazaar*, 194 N. Y. 429, it was held that the words 'Liliputian' and 'Bazaar' were common descriptive words and could not singly be appropriated, but that together they constituted a valid common law trademark."

And again, at page 433:

"I do not think that *Menendez* v. *Holt*, 128 U. S. 514, and other similar cases cited by the plaintiff have any application. In those cases, it was held that the use of a defendant's name in connection with an infringing mark is 'an aggravation and not a justification' of the infringement. Here, there is no infringement because the descriptive word 'Liliputian' standing alone, is not the subject of exclusive appropriation, *Ball* v. *Broadway Bazaar*, 194 N. Y. 429, and the defendant has a perfect right to use the word as long as it is used in a setting which does not point to Best & Company. The defendant not only adds the distinguishing word 'Shoppe' to 'Lilliputian' but also prefixes the word 'Miller's', thereby expressly negativing any suggestion of Best & Company."

** The Circuit Court of Appeals did not pass specifically upon whether or not plaintiff's mark or the word "Liliputian" therein contained was fanciful and suggestive or merely descriptive; but it did cite in a footnote (R. 447) the case of *Ball* v. *Broadway Bazaar*, 194 N. Y. 429, 436, and quoted extensively therefrom.

questions which, it asserts, have been answered differently by various intermediate courts. We have already demonstrated, in considering the specific cases cited by the petitioner as the basis for the asserted conflict, that no such conflict in principle does exist; that the cases are distinguishable on their facts, and that it was on questions of fact that the various decisions turned. That the various Circuit Courts of Appeals have properly understood and applied general legal principles in this field, settled by this Court, is apparent from the fact that at the 1947 Term of this Court eleven petitions for writs of certiorari were filed in trademark and tradename cases, directed to seven different circuits; and the writ was, in each instance, denied.*

It is noteworthy that in presenting the various questions which it claims this Court should now review, petitioner fails, in every instance, to point out how the question is raised by this record, and contents itself with stating (Br.,

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* *Ambrosia Chocolate Co.* v. *Ambrosia Cake Bakery, Inc.*, 165 F. 2d 693, cert. den. 92 L. Ed. 843;
Calif. Apparel Creators v. *Wieder of Calif., Inc.*, 162 F. 2d 893, cert. den. 92 L. Ed. 78;
National Nu-Grape Co. v. *Guest*, 164 F. 2d 874, cert. den. 92 L. Ed. 758;
Coca-Cola Co. v. *Snow Crest Beverages, Inc.*, 162 F. 2d 280, cert. den. 92 L. Ed. 74;
General Time Instruments Corp. v. *United States Time Corp.*, 165 F. 2d 853, cert. den. June 14, 1948;
Soy Food Mills, Inc. v. *Pillsbury Mills, Inc.*, 161 F. 2d 22, cert. den. 92 L. Ed. 21;
Mishawaka Rubber and Woolen Mfg. Co. v. *S. S. Kresge Co.*, 75 U. S. P. Q. 2, cert. den. 92 L. Ed. 74;
Caron v. *Ollendorf*, 160 F. 2d 444, cert. den. 92 L. Ed. 21;
General Finance Loan Co. v. *General Loan Co.*, 163 F. 2d 709, cert. den. 92 L. Ed. 318;
Hanson v. *Triangle Publications, Inc.*, 163 F. 2d 74, cert. den. 332 U. S. 855;
Andrew J. McPartland, Inc. v. *Montgomery Ward & Co.*, 164 F. 2d 603, cert. den. 92 L. Ed. 759.

page 29) that "the decision below presents questions of great importance to those who expend substantial sums in advertising their tradenames or trademarks * * * in the expectation of * * * protection". This, surely, is not "an important question of federal law which has not been, but should be, settled by this Court", within the meaning of Rule XXXVIII of the General Rules of this Court.

We consider briefly, and in order, the questions suggested by the petitioner:

(a) Are tradenames used to label articles to show source entitled to the same protection as trademarks denoting products? As already indicated, the courts below in this case have made no such distinction and have indicated that the petitioner's tradename would be entitled to receive the fullest protection which could be accorded to a registered trademark if an infringement thereof had been shown; but, on the evidence, the courts found no infringement.

(b) Must actual confusion be shown where one appropriates another's tradename and engages in competition with him? So far as this case is concerned, this is a purely abstract and hypothetical question, since the Trial Court stated (R. 433) that "the test is whether the public is likely to be deceived", and the Circuit Court of Appeals held the test applied by the Trial Judge to be correct (R. 449). Clearly, the courts below did not attempt to impose upon the petitioner the burden of establishing actual confusion.

(c) There is nothing in either of the decisions below to warrant the suggestion that the courts attempted to restrict the rule laid down by this Court in *Menendez* v. *Holt*, 128 U. S. 514, to trademarks used on products. The Trial Judge (R. 433) distinguished the *Menendez* case; and the

distinction which he drew is one which this Court has itself made. *United Drug Co.* v. *Rectanus Co.*, 248 U. S. 90.

(d) In presenting the next question for review by this Court (that dealing with the so-called "free ride" doctrine), petitioner refers to the case of *LaTouraine Coffee Co., Inc.* v. *Lorraine Coffee Co., Inc.*, 157 Fed. [2d] 115; cert. den. 329 U. S. 771, and not to the case at bar. The "free ride" theory did not enter into the consideration or disposition of this case in either of the courts below. In any event, the question of a "free ride" could not arise, absent a finding that the respondent had selected a trademark or name similar to that of petitioner with knowledge of the petitioner's mark or with the intent to palm off her wares as those of the petitioner. Here, the Circuit Court of Appeals said (R. 449) "in the case at bar there is no finding that the defendant's tradename was chosen with any such intent; nor is there any evidence to justify such a finding"; and the Court went on to point out that "while not conclusive, it is not without significance in determining the likelihood of deception of the public by the use of the defendant's tradename, that no actual confusion has ever resulted during the many years since the business was started at the end of 1930".

(e) The next question posed is whether the character of proof required in trademark cases is the same as in unfair competition cases. Petitioner does not indicate how it believes this question was answered by the courts below or how it should be answered by this Court. Clearly, however, the question is no longer an open one. The essential element is substantially the same in trademark cases as in cases of unfair competition. 26 Ruling Case Law 869; *Armstrong Co.* v. *Nu-Enamel Corp.*, 305 U. S. 315, 385; *American Found-*

ries v. *Robertson*, 269 U. S. 372, 380; *Nims, Law of Unfair Competition and Trademarks* (Fourth Edition, 1947) 10, 1017.

(f) Finally, petitioner poses the question as to the prospective application of the Lanham Act, as suggested by Judge Clark's dissent in the case at bar. Neither in the dissenting opinion nor in the petition and brief for certiorari is any indication given as to how the application of the Lanham Act could possibly have changed the decision in this case. The new act merely gives statutory expression to well settled judicial construction (*LaTouraine Coffee Co., Inc.* v. *Lorraine Coffee Co., Inc.*, 157 Fed. [2d] 115; cert. den. 329 U. S. 771), and itself provides that use in commerce of a "colorable imitation" which is "likely to cause confusion or mistake" constitutes infringement. Act of July 5, 1946, c. 540, Title VI, Sec. 32(1)(a), 60 Stat. 437; U. S. C., Title 15, Sec. 1114(1)(a). Again, the likelihood of confusion, which neither of the courts below could find upon the evidence, is the test.

"The question presented", states the petitioner at page 30 of its brief, "is whether petitioner's property rights in "Liliputian Bazaar" is to receive such protection or is the name to be made worthless by permitting petitioner's competitors to use the same slogan in advertising similar wares." No such question is presented either in the petition for certiorari itself or by the record of this case, nor would such a question, if presented, be one of interest to persons other than the litigants themselves or of such general importance that this Court should undertake its review.

Respondent has never used nor claimed the right to use the name "Liliputian Bazaar" in any manner whatsoever, nor is any claim made here on behalf of the respondent or

on behalf of competitors of the petitioner for the sweeping effect which it urges may be given to the decision below. Respondent merely claims the right, granted her after full trial and careful consideration of the evidence by the courts below, to continue to use her tradename ("Miller's Lilliputian Shoppe") in the manner in which she and her predecessor in interest have used it since 1930,—a use which the courts have found has entailed not a single instance of confusion and which involves no likelihood of confusion or deception.

CONCLUSION

The petition for a writ of certiorari in this case should be denied.

Respectfully submitted,

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